

May 5, 1975

SPEAKER: The Clerk will record. A Call of the House has been asked for. Please record your presence? I am sorry. The vote is to go under Call. The Clerk will record.

CLERK: 26 ayes, 6 nays to go under Call.

SPEAKER: We are under Call. Please record your presence. Senator Dworak. Senator Dworak is switching from aye to nay. Is that correct? From nay to aye.

CLERK: Senator Dworak changing from no to aye.

SPEAKER: A motion has been made and seconded that the Call be raised. The Clerk will record.

CLERK: 30 ayes, 1 nay.

SPEAKER: The Call has been raised.

CLERK: 25 ayes on the original motion, 12 nays, remainder not voting.

SPEAKER: The amendments are adopted. Senator Keyes.

SENATOR KEYES: Mr. Speaker, I move for the advancement of the bill. I believe that in the last two times it has been up there has been 35 people speak on this bill. Probably some have spoke twice. There is several things that I want to bring out. There have been many things said that are true and some said that are not true by both sides. But in the state of Nebraska, a private individual pays an income tax on his income, and whatever his federal income tax is, the state collects 10% of it. A businessman, who is not a corporation, pays just exactly like the private individual does. He pays 10% of what he pays...pays 2 1/2% of...10% of what he pays the federal government. Now a corporation is treated a little bit different. On the income that they attribute to Nebraska, they pay 2 1/2%. I am going to quote some figures to you which I don't like to do but I am going...if you have a \$20,000 income from a salary, your income tax to the state is \$523.00. If you are a stockholder corporation, it is \$500.00. That is under the present bill. That is only a \$23.00 advantage but if you are a private individual and you have an income of \$100,000, you pay the state \$5,300. If you are a stockholder corporation under the present, you pay \$2,500. That's less than half of what a corporation pays...or twice as much as what a corporation pays. Now under my bill, if you make \$100,000 and you have the graduated income tax that I have explained and told you about, you will pay \$3,500 and this \$3,500 is still almost \$1,200 short of the \$5,300 that you would pay under the present bill or would pay as a private individual. If you worry about other states, let me show you something. In Iowa, the first \$25,000, and those that worry about a graduated income tax, in Iowa the first \$25,000 is taxed at 4%. The next \$75,000 at 6% and all over \$100,000 is taxed at 8%. If you live in Kansas, your tax is 4 1/2% on the first \$25,000 and 7% on the income over \$25,000. If you live in Missouri, in 1939 to 1973, they had a 2% tax but last year they raised it to 5% right straight across the board. Now of all the taxes, incorporate taxes in the United States, I think there is five states that have none, there are two states that have less than we do. Half of the states have a graduated corporate income tax and we are about 23 from the bottom. So under this bill, that's under the present bill. Under this bill of mine...no, under the present bill, we are 41st or 42nd. Under my bill, we will still be 22nd. So this is not a prohibitive tax. This is not a tax